

Tavistock Investments Plc

Unaudited interim results for the six months ended 30 June 2014

I am pleased to present the Company's unaudited accounts for the six month period to 30 June 2014.

Acquisitions

By far the most significant development during the period took place at the end of May when the Company completed the reverse acquisition of County Life & Pensions Limited, an independent financial advisory business based in Kegworth, Derbyshire, and of Blacksquare Limited, a discretionary investment management business based in Windsor, Berkshire.

These two businesses have subsequently been renamed Tavistock Partners Limited and Tavistock Wealth Limited respectively and will form the cornerstone of a much larger, integrated financial services business that the Directors intend to develop over the coming years.

Share Consolidation and Additional Funding

On 30 May Tavistock's ordinary shares of 0.01p each were consolidated on a 1 for 100 basis into shares of 1p each and the Company secured £500,000 of additional equity capital through a placing of 6,666,667 new ordinary shares of 1p each at a placing price of 7.5p per share.

On 1 September, after the period end, the Company announced that it had successfully raised a further £1,090,000 of working capital through a combination of a share placing and the arrangement of an unsecured convertible loan facility.

The Company placed 4,533,334 new ordinary shares of 1p each at a price of 7.5p per share with both new and existing shareholders, raising £340,000 of additional equity capital.

The Company now has a total of 121,822,496 ordinary shares in issue.

In addition the Company entered into agreements with Novia Financial Limited ("Novia") and Cocoon Investment Holdings Limited ("Cocoon" together, the "Lenders") to provide the Company with a three year, unsecured, convertible loan facility of up to an aggregate of £750,000, for business development and working capital purposes. Both Lenders have existing interests in the financial services sector and the Company separately announced that it had entered into a strategic commercial relationship with Novia, the details of which are summarised below.

Interest on amounts drawn down under the facility will accrue at the rate of 1 per cent. per annum over the base rate and will be paid quarterly. Any funds drawn down under the Loan Facility will fall due for repayment at the end of the term, being 27 August 2017. The principal sum outstanding under the Loan Facility may be converted, at a price of 7.5p per share, into new ordinary shares in the capital of the Company at any time prior to the end of the term at the discretion of the Lenders. The Lenders also participated in the share placing, investing an aggregate sum of £250,000.

Strategic Initiative

Also on 1 September the Company announced that it had entered into a strategic commercial relationship with Novia.

Novia is an established wrap platform operator with existing relationships with a high number of IFA firms. Tavistock Partners, Tavistock's advisory subsidiary, has a long-standing relationship with Novia and a significant proportion of its clients' assets are currently managed on the Novia platform. Tavistock Partners has also developed an attractive and guaranteed retirement package for its IFAs.

Tavistock Wealth, Tavistock's DFM subsidiary, has created an innovative and low cost centralised investment proposition ("CIP") for Tavistock Partners' clients and is now seeking to offer this service to a wider audience. Under the terms of the strategic agreement, Tavistock Wealth has endorsed Novia as a preferred platform and Novia will introduce advisers to Tavistock on a selective basis. Tavistock Wealth will grant Novia supporting IFAs

access to its CIP, otherwise only available to advisers that have joined the Tavistock Partnership. Additionally, Tavistock Partners has agreed to make its "retirement guarantee" available to any such firm at a time of their choosing.

As a consequence of entering into the strategic initiative the Company expects to increase both the scale of its advisory network and the level of funds under its management.

Accounting Policies and Results

Following discussion with the Company's auditors, the accounts for the six month period to 30 June 2014 have been prepared using acquisition accounting policies and thus reflect the five month period prior to the transactions referred to above and the one month period when the Company's activities were enlarged by those of the two businesses that were acquired at the end of May.

Reported revenues in the period were £298,000 and the Company's loss before interest, taxation, depreciation and amortisation (EBITDA) was (£172,000). This loss reflects the extent to which wider group costs exceeded the profits generated within Tavistock Partners during the period under review. As at 30 June 2014 the Company had net assets of £7,896,000 of which £348,000 was in cash. As a consequence of the share placing announced in September, the Company's cash resources were subsequently increased by £340,000 and are considered to be sufficient for its present needs.

The Board's focus over the second half of the year will be on ensuring that Tavistock Wealth and Tavistock Partners operate together as a seamless whole and that progress is made toward profitable trading at the Group level.

Thereafter our focus will be on increasing the scale of the business and I look forward to updating shareholders on progress in due course.

Oliver Cooke
Executive Chairman

Consolidated Income Statement
For the six months ended 30 June 2014

	Note	6 months to 31 June 2014 (unaudited)	6 months to 31 June 2013 (unaudited)	Year to 31 December 2013 (audited)
		£'000	£'000	£'000
Revenue	2			
– Continuing operations		298	-	-
– Discontinued operations		-	141	176
		298	141	176
Cost of sales				
– Continuing operations		(183)	-	-
– Discontinued operations		-	(98)	(113)
		115	43	63
Administrative expenses		(287)	(313)	(486)
Loss from Operations		(172)	(270)	(423)
Analysis of Loss from Operations				
– Continuing activities		(172)	-	(194)
– Discontinued activities		-	(270)	(229)
Loss on disposal of discontinued operations		-	-	(92)
Interest payable		-	-	(2)
Finance income		-	-	1
Loss before and after tax and total comprehensive income for the year		(172)	(270)	(516)
Loss per share (pence)				
Basic	3	(0.6)p	(5.8)p	(7.4)p

Consolidated Statement of Financial Position
As at 30 June 2014

	Note	As at 30 June 2014 (unaudited)	As at 30 June 2013 (unaudited)	As at 31 December 2013 (audited)
		£'000	£'000	£'000
ASSETS				
Non-current assets				
Tangible fixed assets		29	2	-
Intangible assets	4	9,899	557	-
		9,928	559	-
Current assets				
Trade and other receivables		688	68	43
Cash and cash equivalents		348	4	324
		1,036	72	367

Total Assets	10,964	631	367
LIABILITIES			
Non-current liabilities			
Deferred Consideration	(2,222)	-	-
Deferred R & D credits	-	(56)	-
	(2,222)	(56)	-
Current liabilities			
Trade and other payables	(768)	(332)	(5)
Accruals	(78)	(159)	(124)
	(846)	(491)	(129)
Total liabilities	(3,068)	(547)	(129)
Total assets less liabilities	7,896	84	238
Equity			
Share capital	8,521	7,394	7,471
Share premium	18,667	11,547	11,887
Merger reserve	-	(118)	-
Retained deficit	(19,292)	(18,739)	(19,120)
Total equity	7,896	84	238

**Consolidated Cash Flow Statement
For the six months ended 30 June 2014**

	6 months to 30 June 2014 (unaudited)	6 months to 30 June 2013 (unaudited)	Year to 31 December 2013 (audited)
	£'000	£'000	£'000
Cash flows from operating activities			
Loss from operations	(172)	(270)	(516)
Adjustments for:			
Share based payments	-	12	-
Depreciation	1	1	-
Amortisation of intangible assets	-	102	-
Loss on disposal of discontinued operations	-	-	92
Finance Income	-	-	(1)
Cash flows from operating activities before changes in working capital	(171)	(155)	(425)
(Increase)/decrease in receivables	(185)	64	(43)
Increase/(decrease) in liabilities	62	94	(30)
Net cash (used in)/generated from operating activities	(294)	3	(498)
Cash flows from investing activities			
Finance Income	-	-	1
Net cash on acquisition of subsidiary	126	-	372
Acquisition consideration (transaction costs)	(272)	-	-
Capitalised R & D expenditure	-	(31)	-
Purchases of property, plant and equipment	(16)	-	-

Net cash (used in)/generated from investing activities	(162)	(31)	373
Cash flows from financing activities			
Proceeds from issue of share capital	525	-	417
Costs relating to share issues	(45)	-	-
Net cash generated from financing activities	480	-	417
Net increase/(decrease) in cash and cash equivalents	24	(28)	292
Cash and cash equivalents at beginning of period	324	32	32
Cash and cash equivalents at end of period	348	4	324

**Consolidated Statement of changes in equity
For the six months ended 30 June 2014**

	Share capital	Share premium	Retained earnings	Merger reserve	Shares to be issued	Total
	£'000	£'000	£'000	£'000	£'000	£'000
As at 31 December 2012	7,277	11,529	(18,481)	(118)	135	342
Share based payment charge	-	-	12	-	-	12
Shares issued	117	18	-	-	(135)	-
Loss before tax and after tax and total comprehensive income	-	-	(270)	-	-	(270)
As at 30 June 2013	7,394	11,547	(18,739)	(118)	-	84
Shares issued	77	340	-	-	-	417
Reserves transfer	-	-	(135)	118	-	(17)
Loss before tax and after tax and total comprehensive income	-	-	(246)	-	-	(246)
As at 31 December 2013	7,471	11,887	(19,120)	-	-	238
Shares issued	1,050	6,780	-	-	-	7,830
Loss before tax and after tax and total comprehensive income	-	-	(172)	-	-	(172)
As at 30 June 2014	8,521	18,667	(19,292)	-	-	7,896

Notes to the Interim Results for the six months ended 30 June 2014

1. Basis of preparation

The Interim Results for the six months ended 30 June 2014 have been prepared and presented in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. They have been prepared on a going concern basis with reference to the accounting policies and methods of computation and presentation set out in the Group's consolidated financial statements for the year ended 31 December 2013, except as stated below. The half yearly financial statements should be read in conjunction with the Group's audited financial statements for the year ended 31 December 2013, which have been prepared in accordance with IFRS as adopted by the European Union.

The information in this announcement does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The Group's accounts for the year ended 31 December 2013 have been reported on

by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors, dated 12 May 2014 was unqualified.

It drew attention by way of emphasis to the Company's ability to continue as a going concern but it should be noted that it occurred before the fundraisings on 30 May and 1 September. It contained no statement under section 498(2) or (3) of the Companies Act 2006.

The financial information for the six months ended 30 June 2014 is unaudited.

2. Segmental information

The Group provides financial advisory and investment management services in the UK.

The Company's discontinued operations were in the software sector in four geographic markets, none of which are considered to be immaterial.

All of the Group's assets are UK based.

3. Loss per Share

	6 months to 30 June 2014 (unaudited)	6 months to 30 June 2013 (unaudited)	Year to 30 December 2013 (audited)
Loss per share has been calculated as follows:			
Loss (£'000)	172	270	516
Weighted average number of Ordinary shares ('000s)	29,789	4,653	7,014
	<hr/>		
Basic loss per ordinary share	0.6p	5.8p	7.4p

Loss per ordinary share has been calculated using the weighted average number of shares in issue during the relevant financial periods, adjusted for the consolidation of shares in May 2014.

4. Intangible Assets

	Goodwill on Consolidation £'000	Capitalised Development £'000	Intellectual Property £'000	Total £'000
Cost				
Balance at 1 January 2013	1,529	1,350	635	3,514
Additions	-	31	-	31
	<hr/>			<hr/>
Balance at 30 June 2013	1,529	1,381	635	3,545
Disposals	(1,529)	(1,381)	(635)	(3,545)
	<hr/>			<hr/>
Balance at 31 December 2013	-	-	-	-
Additions (see Note 5)	9,899	-	-	9,899
	<hr/>			<hr/>
Balance at 30 June 2014	9,899	-	-	9,899
	<hr/>			<hr/>
Accumulated amortisation				
Balance at 1 January 2013	1,529	722	635	2,886
Provision for period	-	102	-	102
	<hr/>			<hr/>
Balance at 30 June 2013	1,529	824	635	2,988

Eliminated on disposal	(1,529)	(824)	(635)	(2,988)
Balance at 31 December 2013	-	-	-	-
Provision for period	-	-	-	-
Balance at 30 June 2014	-	-	-	-
Net book value				
At 30 June 2013	-	557	-	557
At 31 December 2013	-	-	-	-
At 30 June 2014	9,899	-	-	9,899

5. Business Combinations

On 30 May 2014, the Company acquired County Life and Pensions Limited (now Tavistock Partners Limited) for a consideration of £7,350,000 satisfied by issuing 98,000,000 ordinary shares of 1 pence per share at a price of 7.5 pence per share.

On the same day, the Company acquired Blacksquare Limited (now Tavistock Wealth Limited) for an initial consideration of £1, payable in cash and deferred consideration, which is payable on or before 30 June 2016 and will be satisfied in shares of the Company. The value of the deferred consideration will be determined by reference to the level of funds under management by Tavistock Wealth on 31 May 2016.

The directors' current estimate of the likely value of the deferred consideration is £2.45m and this sum has been discounted by 5% per annum, giving a figure of £2.22m, in order to arrive at an estimate of the present day value of the deferred consideration.

Fair value of net liabilities acquired	£'000 (55)
Goodwill arising on acquisition	
Purchased goodwill	9,899
Total assets acquired	9,844
Satisfied by:	
Issue of shares (market value)	7,350
Deferred contingent consideration (estimate)	2,222
Consideration	9,572
Transaction costs	272
Total	9,844

6. Share Capital

	30 June 2014 £'000	30 June 2013 £'000	31 December 2013 £'000
Called up share capital			
Allotted, called up and fully paid			
117,289,162 Ordinary shares of 1p (30 June 2013: 465,344,739 shares of 1p/31 December 2013)	1,172	4,653	122
1,228,916,168 Ordinary Shares of 0.01 p)			
10,000,000 Ordinary "A" shares of 0.01p (30 June 2013: Nil)	1	-	1

30,450,078 Deferred shares of 9p each	2,741	2,741	2,741
465,344,739 Deferred "A" shares of 0.99p (30 June 2013: Nil)	4,607	-	4,607
	<u>8,521</u>	<u>7,394</u>	<u>7,471</u>

On 30 May 2014 the Company's ordinary shares of 0.01p each were consolidated on a 1 for 100 basis into shares of 1p each, it issued 98,000,000 ordinary shares at a price of 7.5p each to acquire County Life and Pensions Limited, raised £500,000 of additional equity through a placing of 6,666,667 ordinary shares at the same price and issued 333,334 ordinary shares to Oliver Cooke and Brian Raven.

Following the further placing of 4,533,334 ordinary shares of 1p each announced on 1 September 2014 the Company now has a total of 121,822,496 ordinary shares in issue.

7. Related party transactions

Following the successful completion of the transactions on 31 May 2014, the Company paid £108,333 to Corrib Associates, an entity controlled by Oliver Cooke, and £104,000 to Brian Raven for consultancy services that had been provided to the Company on a contingency basis prior to that date.

8. Events after the balance sheet date

Significant events after the balance sheet date have been referred to in the Chairman's Statement.

For further information:

Tavistock Investments plc
Oliver Cooke, Chairman
Brian Raven, Chief Executive

Tel: 01753 867 000

Northland Capital Partners Limited
William Vandyk / Matthew Johnson

Tel: 020 7382 1100